

GLENROADS
BYLAWS

ARTICLE I

1.1. The name of the Association is: Glenroads, which will hereinafter be referred to as the "Association."

1.2. All terms used in these Bylaws shall have the same meanings ascribed to them in the Washington Homeowners' Association Act, Chapter 64.38 RCW ("the Act"), and/or in the Declaration of Covenants and Restrictions (hereinafter "the Covenants") recorded in the office of the Auditor of the County of Whatcom, and/or the Articles of Incorporation for the Association. The term "Cumulative Voting", as used herein, shall mean a system of voting for directors under which a member, who is entitled to cast one vote for each director's position up for election, is permitted to cast all such votes for a single director, or to distribute all the possible votes among fewer than all the positions open for election; cumulative voting is not permitted under these Bylaws. The term "Governing Documents", as used herein, shall mean the Covenants, the Articles of Incorporation for the Association, these Bylaws, any Rules and Regulations adopted by the Board of Directors, and any lawful amendments to any and all such documents.

1.3. The Association has been incorporated as a non-profit corporation under the laws of the State of Washington under the provisions of Chapter 24.03 RCW. The rights and duties of the members and of the Association shall be governed by the provisions of the Act and of the Covenants. The Association shall remain organized as a profit or nonprofit corporation.

1.4. Purpose. The purpose for which this Association has been created, as specified in the Articles of Incorporation, may be altered, modified, enlarged or diminished by the vote of a majority of the members at any Annual Meeting or at any Special Meeting duly called for that purpose.

1.5. Notices. Unless specified otherwise in other sections of these Bylaws, whenever any notice is required to be given under the provisions of the Act or of the Governing Documents, the Secretary shall cause notice to be: (a) hand-

delivered; (b) sent prepaid by first class United States mail to the mailing address of each Lot or to any other mailing address designated in writing; or (c) sent by electronic transmission to an address, location, or system designated in writing. Notice by an electronic transmission shall only be provided to those who have delivered to the secretary a written record consenting to receive electronically transmitted notices. An individual who has consented to receipt of electronically transmitted notices may revoke the consent at any time by delivering a written record of the revocation to the secretary. Consent is deemed revoked if the secretary is unable to electronically transmit two consecutive notices given in accordance with the consent. The notice of any meeting shall state the place, day and hour of the meeting and the items on the agenda to be voted on by the members, including the general nature of any proposed amendment to the Articles of Incorporation, Bylaws, any budget or changes in the previously approved budget that result in a change in assessment obligation, and any proposal to remove a director. Whenever any notice is required to be given under the provisions of the Act, the Covenants or these Bylaws, a Waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE II

Membership

2.1. Qualification. Each person or entity holding a record ownership interest in a Lot in the Association (“Owner”), shall be a Member of the Association. “Owner” shall not include persons or entities that hold an interest in a Lot merely as security for the performance of an obligation nor shall it include a lessee or tenant holding a possessory interest. The terms “Owner” and “Member”, as used herein, shall be synonymous unless the context clearly prohibits such construction. “Lot” or “Lots” shall mean one or more of the lots within Glenhaven Lakes Club Divisions 10 and 11. Ownership of a Lot shall be the sole qualification for membership in Glenroads, and the membership of Glenroads at all times shall consist exclusively of all of the lot owners in Divisions 10 and 11 of Glenhaven Lakes Club. The ownership of an interest in a Lot solely as security for the performance of an obligation does not entitle the owner of such interest to membership in the Association. A Member shall be considered a “Member in Good Standing” when

such Member has paid all required dues, charges and assessments owing by such Member, and satisfied any conditions required of the Member.

2.2. Transfer of Membership. Glenroads membership of each Owner shall be appurtenant to the Lot giving rise to such membership and cannot be transferred in any manner except upon the transfer of title to said Lot and then only to the transferee of title to such Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in Glenroads appurtenant thereto to the new Owner thereof. No member whose membership is transferred shall be entitled to share or participate in any of the property or assets of the Association.

ARTICLE III

Membership Meetings

3.1. Annual Meetings. There shall be an annual meeting of the Members in the first quarter of each year or at such time and place as the Board may determine to be appropriate. The annual meeting of the Members shall be held for the election of Directors and the conduct of such other business as may be properly brought before the meeting.

3.2. Notices of Annual Meetings. Not less than fourteen (14) nor more than sixty (60) days in advance of an annual meeting, the Secretary shall cause notice to be: (a) hand-delivered; (b) sent prepaid by first class United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Owner; or (c) sent by electronic transmission to an address, location, or system designated in writing by the Owner. Notice to owners by an electronic transmission shall only be provided to those Owners who have delivered to the secretary a written record consenting to receive electronically transmitted notices. An owner who has consented to receipt of electronically transmitted notices may revoke the consent at any time by delivering a written record of the revocation to the secretary. Consent is deemed revoked if the secretary is unable to electronically transmit two consecutive notices given in accordance with the consent. The notice of any meeting shall state the place, day and hour of the meeting and the items on the agenda to be voted on by the members, including a list of the candidates seeking to be elected as Directors of the Association.

3.3. Special Meetings. Special Meetings of the members of the Association may be called at any time by the President, a majority of the Board of Directors, or by the Secretary upon receipt of written request signed by Members in Good Standing owning at least ten percent (10%) of the lots within the jurisdiction of the Association. Notice of a Special Meeting, stating the purpose thereof, shall be mailed not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting.

3.4. Quorum. At all Annual and Special meetings of the members of the Association, twenty (20) Members in Good Standing or ten percent (10%) of Members in Good Standing, whichever is less, present in person or by written proxy filed with the Secretary at or before the meeting, shall constitute a quorum for the transaction of any business appropriate to a members meeting. In the absence of a quorum, any meeting of the members may be adjourned from time to time by vote of a majority of those present, but no other business may be transacted. Members present at any duly called Annual or Special Meeting at which a quorum is originally present may continue to do business notwithstanding the withdrawal of members to the extent that less than a quorum may thereafter be present. A majority of the votes of the members consisting a quorum shall be sufficient to transact business unless a greater number of votes is required by law, the Articles of Incorporation, or by these Bylaws with respect to some specified action.

3.5. Voting. Members in Good Standing shall be entitled to cast one vote per Lot, but no more than one vote shall be cast per Member regardless of the number of lots owned by the Member involved. In the event that a Lot is owned by the Association or Glenhaven Lakes Club, no votes allocated to such Lot may be cast, and in determining the percentage of votes required to act on any matter, the votes allocated to such Lot shall be disregarded. A member may vote in person or may vote by mail, by electronic transmission, or by proxy in the form of a record executed by the member or a duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

3.6. Joint Owner Disputes. The voting share for a Lot must be cast as a single vote, and split votes for Lots shall not be allowed. Where a Lot is owned by more than one person, if only one of such persons is present at a meeting of the

Association, in person, by proxy or written ballot, such person is entitled to cast the one (1) voting share for that Lot on behalf of all the persons owning the same Lot. If more than one of the multiple persons comprising an Owner are so present, (including by proxy or written ballot), the voting share for that Lot may be cast only in accordance with the agreement of a majority in interest of such multiple persons. There is majority agreement if any one of the multiple persons casts the vote allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other persons comprising the Owner. In the absence of majority agreement, the conflicting votes shall be deemed an abstention of the vote for such Lot.

3.7 Any action required or permitted to be taken may be taken without a meeting if all of the Members of the Association entitled to vote consent in writing to such action. Such written consent or consents may be in the form of written ballot, and shall be filed with the minutes of the proceedings of the Association.

ARTICLE IV

Directors

4.1. The corporate powers of this Association shall be vested in and exercised by or under the authority of a Board of Directors. The number of Directors who shall manage the affairs of the Association shall be five. At any Annual or Special Meeting of the members duly called for that purpose the members may increase or decrease the number of Directors to not more than nine or less than three. However, a decrease of the number of Directors shall not have the effect of shortening the term of any incumbent Director.

4.2. The Directors elected by the members shall be elected for a two year term, and until his/her successor is duly elected. Each Director shall be and remain a Member in Good Standing.

4.3. In the event a Director can no longer qualify as an owner of a Lot and ceases to be a member they shall thereupon automatically cease to be a Director and the office shall become vacant without the necessity of any action by the Board. The vacancy shall be recorded upon the minutes of its next meeting. Any vacancy occurring in the Board of Directors shall be filled by appointment by a

majority vote of the remaining Directors. A Director appointed to fill a vacancy shall hold office until the next Annual Meeting of the members, at which time they shall elect a Director to fill the unexpired balance of the term, if any, of the office in which the vacancy occurred.

4.4. Regular Meetings. Regular meetings of The Board of Directors shall be held at such time and place as shall be determined from time to time by the Board of Directors but shall be held at least once a month during the months of February, April, June, August and October in each fiscal year.

4.5. Special Meetings. Special Meetings of the Board may be called at any time by the President, Secretary, or a majority of the Board. The Secretary shall give each Director notice personally, verbally, or by mail or telephone or email of all regular and special meetings sufficient to enable such Director to attend, and in any case at least one day in advance. Notices of regular and special meetings of the Board of Directors may also be given to the membership by posting such notice on the GLC website, email, posting on a community billboard, or by mail at least seven (7) days in advance to the extent feasible; subject to a bona fide emergency meeting of the Board of Directors where no advance notice to the membership is required.

4.6. In a bona fide emergency, or to accomplish purely ministerial objectives (Such as the signing of banking resolutions) any action required or permitted to be taken may be taken without a meeting if all of the members of the Board of Directors consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

ARTICLE V

Powers and Duties of Directors

5.1. Subject to any limitation in the Articles of Incorporation and these Bylaws, and the laws of the State of Washington, all the business and affairs of the Association shall be controlled by the Board of Directors. Without prejudice of such general powers, and subject to the same limitations, it is hereby expressly declared that the Directors shall have the following powers and duties:

5.2. To elect and remove all the other officers, agents and employees of the Association, prescribe such powers and duties for them as may be consistent with the laws of Washington, the Articles of incorporation and these Bylaws.

5.3. To cause to be kept a complete record of all minutes and acts and to present a full statement to the regular annual meeting of the members, showing in detail the condition of the affairs of the Association.

5.4. To establish the annual dues of the members of the Association.

5.5. Members of the board of Directors shall receive no compensation for their services to the Association but shall be reimbursed by it for such reasonable expenses as they may necessarily incur in pursuance of the business of the Association.

5.6. Budget. Within thirty days after adoption by the Board of Directors of any proposed regular or special budget of the Association, the Board shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen nor more than sixty days after mailing of the summary. Unless at that meeting the Owners of a majority of the votes in the Association reject the budget, in person or by proxy, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board of Directors.

5.6.1. As part of the summary of the budget provided to all owners, the board of directors shall disclose to the owners if additional regular or special assessments are scheduled to be imposed, the date the assessments are due, the amount of the assessments per each owner per month or year, and the purpose of the assessments.

5.6.2. If the Association establishes a reserve account, as part of the summary of the budget provided to all owners, the board of directors shall disclose to the owners:

(a) The current amount of regular assessments budgeted for contribution to the reserve account, the recommended contribution rate from the

reserve study, and the funding plan upon which the recommended contribution rate is based;

(b) Based upon the most recent reserve study and other information, whether currently projected reserve account balances will be sufficient at the end of each year to meet the Association's obligation for major maintenance, repair, or replacement of reserve components during the next thirty years;

(c) If reserve account balances are not projected to be sufficient, what additional assessments may be necessary to ensure that sufficient reserve account funds will be available each year during the next thirty years, the approximate dates assessments may be due, and the amount of the assessments per Owner per month or year;

(d) The estimated amount recommended in the reserve account at the end of the current fiscal year based on the most recent reserve study, the projected reserve account cash balance at the end of the current fiscal year, and the percent funded at the date of the latest reserve study;

(e) The estimated amount recommended in the reserve account based upon the most recent reserve study at the end of each of the next five budget years, the projected reserve account cash balance in each of those years, and the projected percent funded for each of those years; and

(f) If the funding plan approved by the Association is implemented, the projected reserve account cash balance in each of the next five budget years and the percent funded for each of those years.

5.7. At least annually, the Board of Directors shall prepare, or cause to be prepared, a financial statement of the Association. The financial statements of Associations with annual assessments of fifty thousand dollars or more shall be audited at least annually by an independent certified public accountant, but the audit may be waived if sixty-seven percent of the votes cast by Owners, in person or by proxy, at a meeting of the Association at which a quorum is present, vote each year to waive the audit.

5.8. The Association shall maintain for any Director or officer of the Association professional liability insurance. The Association may maintain property damage insurance and general liability insurance. The Association may also obtain for any Director, officer, trustee, volunteer, agent, or employee of the Association handling or responsible for Association funds, adequate fidelity insurance. All

policies shall name the Association as the insured and must include a provision that calls for ten (10) days' written notice to the Association before the policy can be canceled or substantially modified for any reason.

5.9. The Association shall indemnify and hold harmless each of the Directors and officers from and against all contractual liability to others arising out of contracts made by the Board of Directors or officers on behalf of the Association or the Owners unless such contract was made in bad faith or contrary to the provisions of the Governing Documents. Directors and officers shall not be personally liable for contracts made by them on behalf of the Association, except for any liability for any acts or omissions that involve intentional misconduct by the director or officer, knowing violation of law, for conduct in violation of RCW 23B.08.310, for any transaction from which the director or officer will personally receive a benefit in money, property, or services to which the director or officer is not legally entitled. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that (s)he is or was a Director or officer of the Association against amounts paid in settlement incurred by him or her in connection with such action, suit or proceeding if (s)he acted in good faith and in a manner (s)he reasonably believed to be in, or not opposed to, the best interests of the Association, to the fullest extent authorized by RCW 23B.08.320, and 23B.08.500 through 23B.08.600, and any amendments thereto, irrespective of the fact that the Association is not incorporated under Title 23B RCW. See RCW 23B.17.030. The Association's duty to indemnify, under this section, shall be limited to the extent of coverage provided under the directors and officers liability insurance policy maintained by the Association. The Directors and officers shall be liable for all monetary damages or expenses for acts or omissions that are not covered by the Association's director and officer liability insurance policy.

ARTICLE VI

Officers

6.1. The Board of Directors, at its annual meeting immediately following the Annual Meeting of the members in January of each year, shall elect a President, Vice President, Secretary and Treasurer, who shall be incorporators or other

members of the Association. The officers shall serve a term of two years, or until their successors are duly elected and qualified.

6.2. Any officer may be suspended or removed by a majority vote of all the Directors. Any vacancy occurring in an elected office shall, and any vacancy occurring in an appointive office may, be filled by the Board of Directors.

6.3. Any officer, other than the President, may occupy two offices concurrently if the Board of Directors so desires.

ARTICLE VII

Duties of Officers

7.1. The President shall act as Chairman at all meetings of the members and preside at all meetings of the Board of Directors. They shall sign as President all contracts or instruments for the Association and perform such other duties as may be required by the Board of Directors.

7.2. The Vice President shall preside at all meetings in case of the absence or disability of the President, assuming all duties of the President during such periods of absence or disability and shall perform such other duties as the Board of Directors may require.

7.3. The Secretary shall issue all notices and shall attend and keep the minutes of all meetings of the members and of the Board. They shall have charge of all corporate books, records and papers. They shall attest with their signature all instruments executed for the Association. They shall perform all such other duties as are identical to their office or as may be required by the Board of Directors.

7.4. The Treasurer shall receive, keep safely, and deposit in such bank or banks as may be designated by the Board of Directors all funds, securities and liquid assets of the Association, in its name, and for its account. They shall disburse funds of the Association only under the direction of the Board of Directors on checks signed by the Treasurer and one other officer of the Association. They shall keep full and accurate books of account and shall make such reports of the finances and transactions of the Association as may be required by the Board of Directors and

shall prepare and present to the Annual Meeting of the members a full statement showing in detail the financial condition of the affairs of the Association.

7.5. All officers or other persons authorized to handle or disburse the funds of the Association shall be bonded at the expense of the Association in such amount as the Board shall determine to be adequate for the protection of the Association.

ARTICLE VIII

Dues

8.1. For the purpose of financing the activities of the Association, it is hereby declared that all the lots within the jurisdiction of the Association shall be charged at the rate set by the Board of Directors, an annual charge which shall be the members' dues. The annual dues may be increased by the affirmative vote of a majority of the members of the Board of Directors.

8.2. The annual dues shall be due and payable on or before the 29th day of February next following the Annual Board meeting at which they have been fixed, or at such date that may be deemed appropriate by the Board of Directors. Within two weeks from the date of the meeting when the annual dues have been approved by the Board of Directors, the Treasurer shall cause a statement of the annual dues to be mailed to each member at his or her address of record with the Secretary. Any dues not paid by the due date shall thereafter be delinquent and bear interest at the rate of 12% per annum.

8.3. Failure to comply with any of the terms of the Governing Documents shall be grounds for legal relief, including without limitation, actions to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of Assessments, any other relief provided for in these Bylaws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association or, if appropriate, by any aggrieved Owner, and shall not constitute an election of remedies.

8.4. The Association shall be entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent dues or

assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Association shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment. In any other proceeding arising out of an alleged default by an Owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorney's fees as may be determined by the court. In the event that the prevailing party is the Association, the costs and attorney's fees so awarded shall constitute a Special Assessment against the Owner's Lot.

ARTICLE IX

Miscellaneous

9.1. Fiscal Year. The fiscal year of this Association shall be the calendar year or such other period as may be fixed by the Board of Directors.

9.2. Amendments. These Bylaws may be amended by two-thirds of the members present at any Annual Meeting attended by a quorum or at any Special Meeting called for that purpose and attended by a quorum.

9.3. These Bylaws are subordinate and subject to the Act (Chapter 64.38 RCW), the Nonprofit Corporation Act (Chapter 24.03 RCW) and the Covenants. In the event of any conflict between these Bylaws and the foregoing, the provisions of the foregoing shall control, in that order of priority.

9.4. If any provision of these Bylaws or the application thereof in any circumstances is held invalid, the validity of the remainder of these Bylaws shall not be affected thereby, and to this end the provisions of these Bylaws are declared to be severable.

9.5. The captions of these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.

IN WITNESS WHEREOF, Glenroads, a Washington Nonprofit Corporation, has caused this instrument to be adopted as its Bylaws by resolution of its Board of Directors adopted on _____, 2019.

ATTEST:

Secretary